

**Louisiana Food Bank Association
Baton Rouge, Louisiana**

**AUDITED FINANCIAL STATEMENTS
June 30, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 12 2014**



T W R U
CPAs & Financial Advisors

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	8
SCHEDULE OF FINDINGS AND RESPONSES	9



TWRU

CPAs & Financial Advisors

INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Food Bank Association
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Louisiana Food Bank Association (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Food Bank Association as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013, on our consideration of Louisiana Food Bank Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Food Bank Association's internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
December 30, 2013

Louisiana Food Bank Association
Baton Rouge, Louisiana

Statement of Financial Position
June 30, 2013

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 68,646
Receivable from Government Program	<u>35,247</u>

TOTAL CURRENT ASSETS	\$ 103,893
----------------------	------------

PROPERTY AND EQUIPMENT	<u>3,500</u>
------------------------	--------------

TOTAL ASSETS	<u>\$ 107,393</u>
--------------	-------------------

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable	\$ 35,908
Payroll Tax Liability	<u>5,019</u>

TOTAL LIABILITIES (ALL CURRENT)	\$ 40,927
----------------------------------	-----------

NET ASSETS:

Unrestricted	<u>66,466</u>
--------------	---------------

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 107,393</u>
----------------------------------	-------------------

See accompanying notes to financial statements



TWRU
CPAs & Financial Advisors

Louisiana Food Bank Association
Baton Rouge, Louisiana

Statement of Activities
For the Year Ended June 30, 2013

REVENUES AND OTHER SUPPORT

Member Dues	\$ 25,000
Mazon Grant Income	8,000
SNAP Revenue	118,202
Walmart Grant Income	50,000
LA Income Tax Revenue	65,817
Other Contributions	3,240
	<hr/>

TOTAL REVENUES AND UNRESTRICTED SUPPORT

\$ 270,259

EXPENSES:

Program Expense	212,324
Management and General	53,630
	<hr/>

TOTAL EXPENSES

265,954

CHANGES IN NET ASSETS

4,305

NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED

56,146

PRIOR PERIOD ADJUSTMENT

6,015

NET ASSETS, AS RESTATED

62,161

NET ASSETS, END OF YEAR

\$ 66,466

See accompanying notes to financial statements

Louisiana Food Bank Association
Baton Rouge, Louisiana

Statement of Functional Expenses
For the Year Ended June 30, 2013

	Program Expenses	Management and General	Total
Professional Fees	\$ 1,931	\$ 2,897	\$ 4,828
Insurance	686	1,030	1,716
Marketing	23,562	-	23,562
Miscellaneous	52	78	130
Salaries and Payroll Taxes	32,341	48,512	80,853
Travel Expense	742	1,113	1,855
SNAP Reimbursement Expense	102,910	-	102,910
Payments to Member Foodbanks	50,100	-	50,100
TOTAL EXPENSES	\$ 212,324	\$ 53,630	\$ 265,954

See accompanying notes to financial statements

Louisiana Food Bank Association
Baton Rouge, LouisianaStatement of Cash Flows
For the Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 4,305
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Decrease (Increase) in Assets:	
Accounts Receivable	155,067
Related Party Receivable	25,000
Increase (Decrease) in Liabilities:	
Accounts Payable	(147,569)
Payroll Liabilities	600

NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ 37,403

NET INCREASE IN CASH AND CASH EQUIVALENTS

37,403

BEGINNING CASH AND CASH EQUIVALENTS

31,243

ENDING CASH AND CASH EQUIVALENTS

\$ 68,646

See accompanying notes to financial statements

TWRU
CPAs & Financial Advisors

Louisiana Food Bank Association
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-I-
June 30, 2013

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Louisiana Food Bank Association (the Organization) is a not-for-profit entity that was organized for the purpose of providing financial support and consulting to food banks within Louisiana. The Organization is supported primarily through grants. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Service.

Program and Supporting Services - The Organization participates in the Supplemental Nutrition Assistance Program (SNAP) funded by the United States Department of Agriculture.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation - The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the directions of the governing board. Temporarily restricted assets are resourced that are limited by donor-imposed stipulations that either expires by passage of time or can be fulfilled and removed by specific action pursuant to those stipulations. Permanently restricted assets are those resources whose use is limited to donor-imposed stipulations that neither expires by passage of time nor can be fulfilled or otherwise removed by specific action.

Cash and Cash Equivalents - For purposes of reporting cash flows, the Organization considers all highly liquid investment purchases with maturity of three months or less to be cash equivalents.

Property and Equipment - Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Maintenance and repairs are charged against earnings when incurred. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in current period earnings. The estimated useful lives for significant property and equipment categories are as follows:

Property and Equipment	5 to 15 years
------------------------	---------------

Donated Services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. Some Board Members volunteer their time and perform a variety of tasks that assist with administrative programs.

Expense Allocation - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated, by management, among the programs and supporting services benefited.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.



TWRU
CPAs & Financial Advisors

NOTES TO FINANCIAL STATEMENTS-2-
June 30, 2013

NOTE 2: DUE FROM GOVERNMENT PROGRAMS

In May 2011, the Organization began participating in the Supplemental Nutrition Assistance Program (SNAP). This program is a federal governmental program run by the USDA and is administered by the Louisiana Department of Children and Family Services. Reimbursements are based on actual expenses incurred by the food banks in Louisiana. Currently, three food banks are participating in this program. Reimbursement requests are submitted by the Organization. Once the Organization receives the reimbursement, it disperses the appropriate amounts according to the affiliated food bank's requests. As of June 30, 2013, the Organization had not received the April, May, or June reimbursements for two of the food banks and March through June for the third food bank. The total for the year ended is \$35,247 and is shown as a receivable on the balance sheet.

NOTE 3: RELATED PARTY TRANSACTIONS

The Organization receives dues from other food banks in Louisiana. Member dues of \$25,000 had been collected at year end.

The Organization reimburses food banks in Louisiana for food purchases with funds collected from grants and government programs. As of June 30, 2013, the Organization had reimbursed \$50,100 to food banks.

NOTE 4: INCOME TAXES

On July 1, 2009, the Organization adopted the recent accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The Organization's administration recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The Organization's administration has evaluated its position regarding the accounting for uncertain income tax positions. The Organization's administration does not believe that it has any uncertain tax positions. With few exceptions, the Organization is no longer subject to federal, state, or local tax examinations by tax authorities for years before June 30, 2010.

NOTE 5: COMMITMENTS

Beginning May 2011, the Organization was allocated funding from the SNAP program. A portion of this revenue is allocated to three member food banks in Louisiana. As of June 30, 2013, the Organization owed the other food banks \$30,158. This amount is included in accounts payable.

NOTE 6: CONCENTRATION OF GRANTS

During the year ended June 30, 2013, the Organization received approximately 89% of its total revenue from four grants.

NOTE 7: PRIOR PERIOD ADJUSTMENT

During the year, management discovered financial statement errors that caused an understatement of the June 30, 2012, previously reported net assets and receivable from government programs of \$6,015.

NOTE 8: SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through December 30, 2013, the date the financial statements were available to be issued.





TWRU INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
CPAs & Financial Advisors AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Louisiana Food Bank Association
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Food Bank Association (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Food Bank Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Food Bank Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Food Bank Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
December 30, 2013

Louisiana Food Bank Association
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2013

Finding Relating to the Financial Statements Required to be Reported in Accordance with Government Auditing Standards

Current Year Findings

There were no findings for the year ended June 30, 2013.

Prior Year Findings

Finding Reference Number 2012-1

Status: This finding has been resolved.



TWRU
CPAs & Financial Advisors